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The European System of Governance and the Eastern Enlargement

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Abstract: Although it is important to eliminate the illegitimatising undemocratic heritage of the European institutional framework, any attempt to use the institutional reformist process as a means to delay the eastern widening of the European Union could endanger not only the democratic consolidation of the Central and Eastern European societies, but also the security and stability of the continent. Moreover, what it is more worrying, it could jeopardise the unity of the European integrationist project, as countries such as Germany, Austria, Denmark, and Finland lose interest in building Europe in favour of a greater bilateralism in their relationships with their Eastern neighbours.

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1. The European Union: An International Organisation or a Supranational Entity

Though the European Union is considered as a supranational organisation, it was created with the structures and task assignments of a traditional international body. However, after the approval of the Treaty on European Union (TEU), its supranational elements are now approaching a quantity which suggests that it has already obtained the quality of a federal body in large parts of its substance. Between 1945 and 1955, the European federalist movement, led by Jean Monnet and Robert Schuman, constituted an important coalition which pushed the issue of European integration to the forefront of political agendas. Throughout Western Europe, the integration was supported in the belief that the establishment of a federal European government would end the long-established pattern of wars between European, sovereign nation-states. Consequently, after the Second World War, Western Europe underwent a remarkable institutional transformation from a collection of divided nation-states to a partially amalgamated community for pragmatic political and economic reasons. Since 1957, the institutional framework and policy competence of the European Community has gradually been consolidated and extended beyond the provisions of the original treaties thanks mainly to two events: the approval in 1986 of the Single European Act (SEA), and in 1992 of the Treaty on European Union. With both events, there has been the creation of a unique European system of governance which now embraces citizenship and monetary union, so empirically it is beyond dispute that the European Union level is now where a high proportion of what used to be regarded as purely domestic policy-making takes place. The locus of power and decision has shifted. Hence, even if the European Community was born as a peculiar form of international organisation, the peculiarities of its unique institutional structure and its unprecedented law-making and judicial powers make it seem more like a federal state, that is, a supranational entity where national governments undoubtedly play an important and crucial role

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in the process of regional integration. The achievements of the European Community have, in practice, strengthened rather than weakened the nation-state, as the successes of the *functionalist approach* have been associated with a weakening rather than a strengthening of the vision of a politically united Europe. Moreover, if in legal terms, the member states have lost part of their national sovereignty in joining, in terms of political reality, they have become potentially much stronger, as the Community was in practice built upon those nation-states that some say it was intended to replace.

From the very beginning of the European project there has been a continuous debate between the integrationist and the inter-governmentalist methods. The first method is exemplified by those who argue that there has been a real loss of power of the member states to Community institutions, that is, a transfer of powers from the national to the EU level in a zero-sum fashion, due to the existence of some kind of co-operative federalism that typifies the decision-making of the European Union. A process of decision-making characterised by a cumulative pattern of accommodation, in which the participants refrain from unconditionally vetoing proposals and instead seek to attain agreement by means of compromises that upgrade common interests. The second, inter-governmental method, is defended by those who argue that the member states have used the Community framework as an instrument to enhance their interests and where the national component in EU decision-making is still vital and preponderant based on a *pooling of sovereignties structure*, like in the activities of most international organisations where the nation-state is the main political unit.

The European Union in its present shape is neither a conventional international organisation nor an emerging state based on co-operative federalism, but a new system of governance. It is an unprecedented form of institutional innovation used to serve certain national and Community interests, involving the interaction of a political process described by the supranationalism tendency and a *pooling of sovereignties* framework always resting on a set of inter-governmental deals. It is a halfway-house between confederacy and federation, a strange hybrid where there co-exists an inter-governmental decision-making process, with a supranational normative law in certain areas of Community competence. Nevertheless, this mixed system of a compromised balance of national and Community level competencies, which can be found in Monnet's and Schuman's policy-making model for Europe, has been the result of a distribution shift of powers between these two levels of government. The resulting process shows that the European model is one based on concurrent jurisdiction where the institutions of both levels, supranational and intergovernmental, are deeply engaged in joint tasks, joint sharing of competencies, and participate in shared problem-solving exercises. Under this unique scenario the European Council is the key forum, as it addresses the sovereignty versus interdependence dilemma by co-operative federal means.

It is a mixed, unique system of policy-making cohabitation, where each element has become essential to the survival of the other, but has created a hyper-complex structure of policy-making encompassing a much wider range of public and private policy actors. A unique and flexible system of governance, more tightly organised than a typical international organisation, one which accumulates new functions from time to time, as judged to be necessary by its member states. It is a system that will likely promote the processes by which its supranational-integrationist approach will prevail to the detriment of the eroding of national autonomy and the inter-governmental method, since EU policy-making is a collective exercise involving large numbers of participants, often in intermit-

tent and unpredictable relationships, and given the difficulty in maintaining stable national coalitions. This is one idea that seems to be reinforced in the major amendments to the Treaty of Rome, the Single European Act and the treaties of Maastricht and Amsterdam, since they avoid overall constitutional matters and are concentrated on the elaboration of concrete programmes of joint action by member states in specific economic and social areas increasing co-operation and harmonisation. In this respect, we must understand the institutional structure of the Union, as a specific set of institutions optimal for outlining these programs: the Commission to ensure that the programs that they have mapped out and agreed to follow are in fact implemented; the Court to ensure the legality of the process; and the European Parliament (EP) to ensure that it is in some sense democratically supervised. It is a pragmatic, flexible and problem-oriented functional type of government focused at those points within and beyond national or state boundaries where needs converge, but always based on a messy compromise between the federalist model of Europe and the intergovernmental co-operation approach. To prove this, we can turn to the innovations of the TEU. It can be stated that TEU marked yet another step in the process of strengthening the federal-constitutional spirit of European integration, bringing agreement on the European Monetary Union timetable, establishing an institutional framework for foreign policy and defence co-operation, introducing the concept of European citizenship, laying down a fundamental constituent act with article A stressing "By this Treaty the High Contracting Parties establish among themselves an European Union", extending the fields covered by qualified majority voting, creating the co-decision procedure to reinforce the European Parliament's legislative role, introducing the Committee of the Regions to represent local and regional authorities in EU decision-making, increasing the competencies of the Community in fields such as education, vocational training, youth, social policy, public health, consumer protection, environment, research and technology, and trans-European networks, and reinforcing the *power from below* with the introduction of the principle of subsidiarity. But at the same time, even after this constitutional revision, the intergovernmentalist co-operation model rests intact with the formal recognition of the second and third pillar ruled by inter-governmental methods: justice and home affairs and common foreign and security affairs, and with the establishment, for the very first time, of opt-outs for the United Kingdom and Denmark in certain fields.

2. The Democratic Deficit in the European Institutional Structure

The European Union is a genuine public power structure in such a way that European citizens are directly subject, at least at two governmental levels, Community and state. A Euro-constitutionalism which has adapted its judicial-political structure to meet the guiding principles of national democratic constitutionalism. Already, as Ortega stated in the *De Europa Mediato Quedam*, there exists an inveterate European society which only lacks the mantle of a continental ultra-nation, since Europe is characterised by a desire to overcome the limitations of national units. However, after an initial illusion of euphoria, the construction of Europe seems to be losing devotees. Europe has lost the moral high ground and seems to be advancing without a clear objective and under the shadow of dissension. Perhaps, this is due to the elitist character of this project, where only the political and financial aristocracy, and eurocrats of high standing seem to take advantage, and where ordinary people are passive spectators. In this light Maastricht and Amsterdam were the anti-European vision of yesteryear for our continent. Thus, what is required is a

more legitimate and democratic Union, which can only be achieved with strong popular support, given that anything built on a base of arrogance and contempt of the populace will inevitably collapse. The enlightened despotism with which Europe was built, with an almost exclusive inter-governmental presence, must give way to the regional, national, and European parliaments and end the imbalance between institutions, the opacity, inter-governmental secrecy, confidentiality, the impenetrable character of the debating system and the taking of decisions at a European level. There is an urgent need to demystify and clarify what happens at Brussels. The task is, therefore, to bring to an end the lack of democracy of Maastricht, since Europe is being formed from neither a close relationship between its peoples, nor on the basis of decisions taken close to the citizens, as proclaimed in article A of the Treaty on European Union. In Brussels we are consolidating a bureaucratic Saturn about to eat our children.

To a unified economic power there is an unavoidable need for a political capacity for control and to execute the desires of its citizens. One should not think of Europe as a natural and inevitable reality. Europe, by the will of its members, should be ruled by frequent plebiscites, this is the basis of a common future and a liberating constructive desire. The evolutionary process towards a political Union based on the principle of the division of powers in the manner of democratic countries and the division of responsibilities needed to foment the supranational unit has an uncertain future; since it does not agree with the institutional structure of national parliamentary systems where each preserves its sovereignty. The process of reform of the Treaty of the Union, through the Inter-Governmental Conference in 1996 (IGC-96), tried to fulfill a crucial objective: it was to improve the functioning of the European Union, as well as its efficiency and transparency, simplifying and bringing nearer to the citizen and his priorities the process of decision-making in the European area, and adapting the institutional structure for future eastern expansion. The objective was eastern enlargement without converting the EU into a simple forum for inter-governmental co-operation among nations forming a free trade area. The objective was to reform the common policies and prepare public opinion for a more unified approach in the new areas such as crime, drug trafficking, illegal immigration, organised crime and international fraud. Despite this, the results of the discussions in the Reflection Group, a guidance group of national renowned experts whose task was to prepare the negotiations for the IGC-96 instituted at the Corfu Summit, only served to make clear the differing concepts of European construction held by each country, and to consolidate a political-federal centralist view which conceals the supremacy of German interests in the integration proposals. The major difficulty in achieving a European political Union is that democracy and the legitimacy of a government in a society form a delicate web where each element is a vital support to the rest, making the creation of a federal multi-national and multilingual nation an uncertainty.

It is absurd to warn that the consolidated and delicate equilibrium of European institutions, which were originally products of the creation of the Union, and which have enabled it to function with reasonable efficacy, should be changed to make room for the new members, thereby affirming that there exists a critical level or number of members at which the Union needs substantial changes in its institutions, as was agreed at the meeting of the European Council in Lisbon. At this meeting, it was agreed that prior to any expansion of Europe, there was a requirement for a radical change in the structure, institutions and common policies of the European Community to rebalance the internal power structures and eliminate the illegality underlying the institutional structure of the EU from

its beginnings. This was an unjust and perverse declaration, if we take into account that for more than four decades, the criticisms of lack of institutional democracy were ignored, despite Europe being described as a community of rights with its constitutional rules defined by the founding treaties and the later amendments. It was stated that the Community structure was in no condition to take in the Central and Eastern European countries, because its structure had reached the limit of its capacity, although the real reason was that formerly this mattered less because of the more or less economic, political, cultural and social homogeneity.

In this way, the continuous and delicate technical complications, both legal and political, which crop up in any European summit when it comes to the question of the reform of the European institutions should be seen either as a strategy to transfer power to where it really belongs, or as an attempt to gain time and delay as long as possible the widening eastwards. At the IGC-96, it was proposed to end the perverse system of unanimity which paralysed the Union, to break the traditional unacceptable balance between large and small countries in the weighting of voting power in the Council of Ministers, and to adjust the final number of national commissioners, as irrevocable conditions for any eastern expansion. However, for forty years this disproportionate over-representation of the smaller countries in the institutions, of the fields ruled by unanimity, and the excessively high number of commissioners, curiously worked, survived and functioned right up until the applications to join from the south and east of Europe. But now it is claimed that this reform is fundamental because on it will depend the capacity and the resulting legislation of the Union, and because if not, we would see the Lilliputians overrun the Gullivers. Now, the difficult challenge of applying Montesquieu's tripartite model to the Community's organic structure is unavoidable.

Just after the tortuous ratification of the Treaty on European Union, the complex IGC-96 started, in order to be able to accept the new and poorer candidates, with their differing political histories and with interests and priorities of very different and often antagonistic characters. The paralysis and clogging up of the institutional system and the decision-making in Europe must not be seen as due to the eastern expansion of the EU, but rather as a consequence of the obsolescence of the recently created TEU, which after various crucial events, such as the fall of the Berlin Wall, and the Soviet Empire, did not know how and did not have time to adapt to the new geopolitical context of Europe. This disorder has brought to the surface growing discrepancies and disputes among the member states in the fight for their own national interests. The problem of Europe is deeper than the simple institutional reform required to allow further enlargement. The institutions are important, but if reforms are not initiated to win the spirit and hopes of European citizens, these reforms will be meaningless and the project will die slowly from within.

3. The Treaties of Maastricht and Amsterdam and the Eastern Enlargement

With these ideas in mind, it is important at this point to analyse what the Treaty of Amsterdam, following the legal institutional reform negotiated in the IGC-96, has meant for the challenge to Europe, its eastern enlargement, and for the crusade against the political-institutional illegality from which it suffers. To be able to analyse the effectiveness of the IGC-96, formalised by the approval of the new Treaty of Amsterdam in June 1997 by the heads of state and governments of the fifteen member states, we must judge just how far the proposals of the reflection group, which aimed at pin-pointing the institutional re-

forms needed to enable the Union to expand both south- and eastwards, were approved. It is necessary since at the European Council in Essen in December 1994, it was stated that the IGC-96's principal mission was to eliminate the institutional barriers for eastern enlargement, and to incorporate into the EU institutional scheme a functioning structure of checks and balances demonstrating its political legitimacy.

Firstly, it is necessary to evaluate the effectiveness of the institutional reforms approved in favour of the European Parliament (EP). This task was, without doubt, the real priority of the institutional reform intended to promote the democratic legitimacy of Europe by putting an end to the European Parliament's regulatory weakness in the European decision-making process. This is because the process of integration is based on the superimposition of the Community law over the rights of the member states, under the banner of supranationality, and because the weak attempts of previous Treaties to eliminate these delegitimising defects were insufficient. In this respect, the star novelties of the Treaty of the Union, considered as the life-jacket for the lack of European democracy, were, on the one hand, the legislative co-decision procedure, found in article 189B of the Treaty, and on the other, that the legislative initiative ceased to be a prerogative of the Commission, since the Strasbourg Assembly was authorised to request the managing organisation to prepare proposals for the carrying out of the Treaty. However, when analysing them in depth we find that they are not so life-saving. On the one hand, this process of regulatory co-decision, extraordinarily complex with triple readings which substitutes in many fields for the former co-operation procedure, firstly increases its participation in legislation by conferring the power to veto new legislation together with the Council of Ministers in fourteen new areas of regulation, such as the harmonisation of the internal market, freedom of movement for labour, environmental protection, the pluri-annual plan of research and development, and so on. However this co-legislative process has little importance for several reasons. Firstly, the Council keeps the agenda-setting power when proposing the final text to the European Parliament following the conciliation committee. Secondly, the Commission is a much weaker actor under co-decision compared with the previous co-operation procedure. And finally, as with most of the subjects foreseen for its study, the single market, had been concluded, at least in theory, by the beginning of 1992, just before the Treaty took effect. On the other hand, the same inefficiency can be said about the second innovation of the Treaty, since if the Commission ignores a proposed initiative in favour of the Parliament, it cannot denounce the Commission to the European Court of Justice. Then came the Amsterdam Summit in 1997, where the European Parliament achieved a better position in the European supranational institutional framework, as it was decided that in the future it will have a maximum of 700 MEPs, independent of the number of member states that join. Moreover, the areas of policy where the EP has legislative powers was increased, the process of co-decision was simplified by the elimination of the third reading, and the areas of its application were extended and widened to include social policy, transport, the fight against fraud in the budget of the EU, incentives for employment, statistics, the establishment of an independent data protection agency, equal opportunities, cooperation between customs, public health and interventions and principles to foment transparency and openness in the European institutions.

On this first point, despite these apparent improvements in the participation of the EP together with the Council in the legislative process, they were in fact ridiculous and insufficient. This criticism is not only due to the EP's small area of participation in the

co-decision procedure, and that it can only exercise this regulatory power through a veto of the Council's legislation, all of which leads to a major log-jam, but also because these timid improvements in favour of the EP could be countered by the introduction through the TEU of up to twenty regulatory procedures and numerous voting systems. This new decision-making system based on a greater complexity and disfunctionality further increases its distancing from the European citizen and goes against the object of the exercise, a greater efficiency, transparency and democracy to reinforce the imbalance in the national democratic parliaments. These reforms only served to convert the Community regulatory process into an authentic procedure maze that reinforces the popular image of the EU as a technocratic fortress which confuses, deceives and hounds the European citizen. More democracy in the workings of the Union, as was attempted in the TEU with the co-decision procedure, the principle of subsidiarity, the European Ombudsman, the EP temporary investigation commissions, or publication in the EEC official bulletin, is not enough, when it comes at the expense of transparency and simplification, and severely complicating the decision-making process. An objective seen crucial and fundamental to the Community is to be open to public debate, more relevant and comprehensible in the actions of its institutions, and with the European legislation closer to the European public, as officially proposed at the European summit in Birmingham on 16 October 1992. Only by bringing nearer to the people this process of deliberation and decision-making, can one say that there is efficiency and democracy in the heart of the EU. The EU does not need more powers, as it intends, it needs more parliamentary democracy and greater functional transparency. It needs a new institutional balance so as to be able to act with efficiency and with democracy in its decisions.

In second place, there came the institutional reforms introduced in favour of the European Commission and aimed at compensating for the regulatory supremacy of the Council of Ministers. On the one hand, to build a truly democratic institutional Europe, the Commission should play the part of the executive organ of the EU government, under the control of the legislative authority, as the guarantor of the working and development of the common market, and of the application and implementation of policy in the framework of the Community. A body of non-elected bureaucrats held up as the guarantee of the right of initiative together with the EP, in defence of the Treaties and as the executor of the new pillars of the Treaty of Maastricht. To achieve this within the IGC-96, and confronted by the priority of the institutional reform to facilitate and allow the eastwards expansion of the Union and to avoid this making even worse the complexity, opacity, inefficiency and illegitimacy of the decision-making process, several reforms were proposed affecting the European Commission. Firstly, there was the need to reduce the excessive centralised bureaucracy, to avoid changing the status quo in relations between member states, and to guarantee efficient operation before the proposed enlargement of the EU by reducing the number of commissioners, or by differentiating between full and associate members given the supposed independent character of the nationality of its members. Secondly, the Commission, and its commissioners were to be individually and politically responsible to the EP, which would also control the monopoly it has in the legislative structure by setting out from the start the limitations of the programme on which the Commission bases its proposals. Thirdly, there was to be a conference including the reform of the European Commission in order to avoid the conflict of roles it suffers.

On the other hand, the Council of Ministers, an organ which represents the member states and made up of national leaders, monopolises and concentrates power, without democratic political control, in contrast to what occurs in their national capitals. This super-executive, both of national and supranational legislation, whose members do and undo, build and demolish, resolve fundamental problems, whom direct and stimulate Community action and define the direction of general policy and who possess the supreme power, puts in danger the balance of power within Europe. In order to prevent this, first, there must be an end to the fact that transparency is relegated to oblivion by the incomprehensible secretive formula in its decision-making, which is the Committee Session of Permanent Representatives, COREPER. This is a committee that meets to prepare the work of the Council and is formed from a group of national civil servants, on the basis of co-ordination and coherence, and which takes the majority of the decisions of the Council without having them discussed by the Council and unhindered by democratic control. Secondly, a change in the voting system on the Council is required, to reduce the subjects that require the unanimity rule, which threatens to paralyse the life and working of the EU, and which gives priority to state sovereignty over that of the citizens. It is necessary to extend the qualified majority voting system, even at the risk of allowing the perverse game of block voting and the correlation of forces within the EU, which would result from the expansion of the EU, as the veto enables a minority to play the balance of power between states. Thirdly, it is urgent that the system of weighting given to the votes in the Council of Ministers is changed to give it greater democracy and relation to the population so as to make the EU more efficient, democratic, and to guarantee a greater voting balance between large and small member states. And finally, as was stated before, the Council should share with the EP the legislative power or give greater importance to the national parliaments, carrying out procedures of pre-consultation in the national parliaments prior to the vote in Council, so that its actions at an European level would have the immediate political approval of European public opinion.

Nevertheless, at the Amsterdam Summit in June 1997, as far as the proposals for the reform of the functioning of the European Commission and of the Council of Ministers is concerned, an agreement was reached to block and postpone any debate and decision on these questions because of the entrenchment of the different attitudes with the larger member nations in opposition to the smaller ones over the numbers of commissioners, over the rule of qualified majority voting, and with regard to the weight of votes in the heart of the Council of Ministers. Given the impossibility of reaching an agreement on the main objective of the conference, which was to agree the new institutional rules to allow the eastern and southern expansion of the Union, surprisingly, it was decided that there was no need for a new debate, if in the first round of expansion there were not more than five new members. The larger nations such as Germany, France, Italy, United Kingdom and Spain, led by Chancellor Helmut Kohl, tried to compensate for the loss of a commissioner, to keep the final number at twenty, one per nation, in exchange for more power in the votes in the Council of Ministers, that is, in exchange for becoming guardians of the rule of unanimity. Meanwhile, the smaller countries, led by expert and aggressive Belgian Prime Minister, Jean-Luc Dehaen, refused to cede on the weighting of votes in the Council unless the system of qualified majority voting was extended to new areas such as research and development, culture, industry, and so on, in opposition to the unanimity defended tooth and nail by Germany. Only a document of intent was obtained, by virtue of which the larger states agreed to accept the loss of one of their existing commis-

sioners, in favour of the new members, except Spain who demanded as a condition of her approval the equalising of the power of its vote with that of the 'big four', and the smaller countries accepted the need for a revision of the weighting of votes in the Council to take into account the population factor, and as a result the 'double majority' began to be talked about. And finally, only a modest advance was reached towards the extension of the system of qualified majority voting in new fields such as the policy of stimulating employment, social exclusion, equal opportunities between men and women, public health, transparency, the fight against fraud, statistics, data protection, the outer regions and the start of a new foreign policy. In the final moments of these negotiations, the German government excluded from this extension the policy on the right of movement and residence, social security, culture, industry and the environment, and the recognition of professional diplomas.

From all this, it must be concluded that despite this crusade for institutional reform intended to advance towards a full legal democratic right in Europe's institutional web, the triangular structure of unequal forces in the European institutions is still maintained. It moves us ever closer to an institutional imbalance and a democratic deficit that is evident even if it is without demagoguery. It is necessary to involve the founding parliaments of national cultures in the mechanisms of decision-making to avoid the process of European construction being limited to a process of general deterritorialisation of industries, capital and residents, and at the same time to have an EP with more power and credibility, leading to a more transparent and democratic EU, since there is no democracy without dialogue and no transparency without a representative institution near and open to the people and their problems. As Maurice Duverger stated, "the constituent power of Europe is at once absurd, anti-democratic and inefficient. It is absurd at present because its decisions are carried out through diplomatic negotiations between member states. It is anti-democratic because the elected representatives of the people do not participate, except at the end of the process through block votes difficult to refuse. And at the same time, it is inefficient since it only needs the refusal of one state to block everything, contrary to the rules adopted in the great world confederations such as Switzerland and the United States". We must avoid the co-existence of the two working systems of governance, communal and inter-governmental, to prevent a problem of lack of coherence and harmony between the different pillars of the European political framework for decision-making in Europe. In this sense, the institutional reform should enlarge and intensify the legal controls and quality of these institutional decisions. This shift in favour of the EU exposes the massive problem of legality and legitimacy: the political implications of the European states becoming secondary elements of federal power.

4. The Institutional Reform and the Eastern Enlargement

It is important to analyse how this institutional reform paralysis of Europe, due to differences between the fifteen, places in danger the true challenge to the Union which the eastern enlargement represents, as Jacques Santer warned on 18 September 1996 at the EP, and as proved at the Amsterdam Summit which led to an increasingly nationalist view of Europe. The risk of disagreement between the member states over the details of the process of institutional reform and Community policy to enable the acceptance of the Central and Eastern European countries into the EU, could block or paralyse the process of widening. It could convert the political and economic enthusiasm in favour of enlargement, thereby creating stability and security in the whole continent, into defensive

nationalist attitudes which take no account of the enormous economic, political and security benefits for the member states and for the candidates for membership.

Following the initial euphoria over fall of communism, and while the Central and Eastern European countries suffered the transitional shock therapy and awaited admittance to the European economic club as a way of relieving the pain of transition, the EU and its member states became profoundly introspective about the project of integration itself, relegating the Community interest below their own national interests. Europe is much too interested, preoccupied, and self-centered in its own objectives and internal problems and is not paying sufficient attention to the Central and Eastern European countries, thus endangering political, economic and social stability within these societies and the emerging regional markets they represent. This European introspection towards the profound integration process, consolidated by the unification of Germany, the creation of the European Economic Area signed on the 2 May 1991, the establishment of the single market in 1992, the ratification of the TEU, the negotiations for the Treaty of Amsterdam, the process of Monetary Union, and finally the Agenda 2000, has been the escape valve of distraction from the true challenge to the EU, which is the enlargement. A challenge that must be considered as the moral obligation of the West, given the pain of transition in the return to Europe. Despite the moral and political obligation to take in the former communist bloc, the priority is to put our own European house in order and to carry on with the in-depth integration by the institutional reform set out in the IGC-96. The priority is to preserve the achievements of the Union and avoid a wilting of the communal spirit. A European attitude that reinforces the principle of exclusivity and the image of the EU as a besieged fortress devalues the European tradition of hospitality, solidarity and generosity.

This delaying and obstructionist strategy ahead of the challenge of EU enlargement has been carried out with an obsessive tendency to overestimate the cost and danger of the eastern expansion of the EU. The studies and analysis of cost and benefits lay bare the animosity to the enlargement proposal, based on fears of an institutional imbalance and decision-making inefficiency which would be even more difficult for negotiations because of having to accommodate different interests and making it more difficult to arrive at definition of common European positions. But the clearest example of this new European attitude is the fact that the Union has opted for an overloaded agenda of work for the coming years, which threatens to hold up the project of enlargement to the East. The single European currency, the negotiations for budgetary proposals for the seven-year European budget 2000-2006, the reform of the great common policies such as the Common Agricultural Policy, the cohesion funds, the structural funds, the institutional reforms required to face the problems of the existing balance and democratic legitimacy, and so on, can all lead to the failure of the enlargement, to its delay or postponement. The overload of obligations all requiring a consensus on the model of European integration to be used, one which at present does not exist, threatens to turn expansion into a mere public gesture of little impact. This European introspection has been moulded very clearly in the successive European summits centered on the same internal questions repeated again and again, without any conclusive results, showing an egotistical vision of Europe. It is the product of the irremediable decadence of the European construction diluted in an atmosphere of indecision and in a mire that surrounds the decision-taking process, where the question of the enlargement is avoided for fear of the economic and political sacrifices, engendered by the proliferation of heterogeneous national visions of Europe, built on

differing interests and priorities. An unmanageable Europe from a political standpoint. One clear and recent example of this was at the European Council summit in Cardiff. In this summit, the triumphalist announcements of a new integrationist momentum, following the approval of the Euro, met with clear signs of division. It was a summit at the lowest common denominator and which endangered the consensus, unity and enthusiasm required to proceed towards the challenge of the enlargement. This bickering over the narrowest of national interests, this disparity in integrationist philosophies among the member states, and this overload of future reforms for the EU widening heralded the first confrontation between member states, especially Spain and Germany, over the first proposals for maintaining the maximum contribution at 1.27% of GDP, the creation of a fifth resource related to the relative wealth of each country, over the reform of the system of financing the European budget, on the new weighting of votes in the Council of Ministers, on the number of national commissioners in this body, and so forth. Controversies that meant that the discussion of the crucial matters of the enlargement had to be put off again until the recent extraordinary summit held in March of 1999 in Berlin, that is, only after the German legislative general elections and the complete process of ratification of the Treaty of Amsterdam. But once more, at this Berlin summit a new split appeared between the cohesion countries, led by the EP, and the so called 'group of four' (Austria, Germany, Holland and Finland), led by the European Commission, over the reform of the Common Agricultural Policy and the structural and cohesion funds, which blocked progression the expected substantial reforms of these common policies to make possible the eastern enlargement.

To conclude it should be asserted that the EU cannot close in on itself, pleased with itself, with its prosperity, proud of its magnificent history and its present security, since this would lead to a dead end, to the refusal to contribute to the progress of human history. We urgently need an Europe which is bigger, with no fear of changes in its strategic center of gravity nor the adoption of positions be they central, northern or southern. We should not be pleased with membership for mere economic and commercial logic, as occurred with the United Kingdom and Denmark in the 1970s, neither for the logic of a country redefining its power and influence with its voice in the Community and international institutions, as occurred with the Nordics and Austria. Uppermost should be the logic of the guarantee of political stability, as well as for communing with the international community to definitely consolidate a return to the millennial, foundational, democratic tradition and to forget fears from the recent past. There will be an arduous and complex process of negotiations for the new CEE countries with very clear advantages for the EU and its members, while the applicants will be in a very weak negotiation position that will force them to make difficult concessions when dealing with crucial sectors of their economies; there will be tough requirements and long transition periods. The most important challenge in the process of the European integration is to avoid a cold and unconcerned cost-benefit analysis on the enlargement by each one of the member states, and to design the right strategy of approximation to guarantee the democratic consolidation of these societies of Central and Eastern Europe, because that, at the same time, will guarantee the EU's own security and prosperity.

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